

# FUNDING HEALTH CARE REFORM THROUGH SAVINGS AND PROGRESSIVE TAX REVENUE

- We must pass quality, affordable health care for all, including a public health insurance option. Numerous polls show that Americans demand no less. We must also pay for health care reform, education, clean energy, infrastructure, and programs to alleviate hardship and expand opportunity.
- President Obama in June identified savings proposals in the health care system that would yield \$313 billion over the next ten years. Earlier this year, President Obama proposed about \$309 billion in savings, for a total of about \$622 billion in savings over ten years.
- These proposed savings are a start. But it is not possible to fully fund health care reform, and provide quality, affordable health care for all, by relying on savings alone. This will require revenue beyond \$622 billion.
- Affordability must be a cornerstone of health care reform. And we must not force Americans who already are struggling to pay their health care costs and other bills to shoulder a disproportionate share of the cost of this reform.

**There are a number of responsible, fair options for raising the revenue we need to fund the health care system we deserve and other critical priorities. For example:**

- **Limiting itemized deductions for the wealthiest taxpayers.**  
Itemized deductions currently subsidize certain activities at much higher rates for wealthy people than for middle-income people – and that's not fair. The President's proposal to limit itemized deductions would reduce this unfairness and raise more than \$260 billion over a decade.
- **Revising the Medicare tax so that it applies to investment income.**  
Right now, the Medicare tax applies only to income from work; people who make their money from investments do not share in the cost. Expanding the Medicare tax to apply to investment income could raise more than \$40 billion a year, even after exempting \$50,000 - \$100,000 in investment income for retirees.
- **Eliminating loopholes that encourage corporations to shift profits and jobs overseas to avoid U.S. taxes.**  
Many of these schemes involve investments and transactions that exist only on paper and are used to make their profits appear to be "foreign" profits so that they won't be taxed. The President's proposals to end these schemes can raise \$150 billion to \$200 billion over a decade.